

No free insurance

State workers undoubtedly are less than enthusiastic about a Kentucky Chamber of Commerce proposal that they pay more for health insurance to help the state balance its budget. The Lexington Herald-Leader reported Lee Jackson, president of the Kentucky Association of State Employees, promised to oppose any attempt to “tinker” with members’ health care benefits.

But the chamber has a point. With state government facing a budget shortfall that may top \$1 billion, can the public afford to continue subsidizing benefits far more generous than those found in the private sector? The Courier-Journal reported state government pays 97 percent of workers’ health insurance premiums while the state’s private employers cover only 80 percent of the cost their work forces incur. Chamber President David Adkisson said nearly \$200 million could be saved by having state workers pay a bigger share of their insurance bills.

This is not a new debate. Former Gov. Ernie Fletcher also proposed state workers take on more of the insurance burden but had to back down when public employee and teacher groups protested. More recently, education advocates have complained about the state borrowing millions from teacher retirement funds to pay for retired teachers’ health insurance. The fact that state workers have received just a 1 percent pay raise each of the past two years will make them even less open to the idea of bailing state government out of its financial predicament.

Retired teachers who appealed to the state for help in dealing with their insurance shortfall stressed the importance of providing benefits that attract people to public-service careers. Somewhat the same argument has been made for those employed by state agencies. But after decades of upgrades in public pay and benefits, the rationale is no longer as persuasive as it once was. While there was a time when educators were practically expected to take vows of poverty out of dedication to learning, teacher salary growth now outpaces what’s found in some private-sector fields that once had a slight edge.

The chamber reported the average state employee made \$38,000 last year while the average worker in all occupations statewide earned just \$36,855.

Adkisson figured the state would save \$94 million a year if its workers contributed \$50 more each month – no small amount for people subsisting on minimal salary adjustments, and yet their counterparts in the business world are enduring similar sacrifices.

Remember that the chamber sees things from a business perspective. It wants members to prosper, partly by holding down taxes and thereby enhancing their profits. Nevertheless, the benefit discrepancy between public and private sectors is real. There’s no such thing as free insurance, and taxpayers forced to cough up more for their own coverage understandably have little sympathy for government employees who get a virtually free ride.